

Today, Rep. Pete Stark introduced the “Fair Balance Prescription Drug Advertisement Act of 2001,” a bill to deny tax deductions for unbalanced direct to consumer (DTC) pharmaceutical advertising that places more emphasis on product benefits and dramatically minimizes product risks.

“Consumers need to have the right information before asking their physicians for a prescription drug,” Rep. Stark said. “Unfortunately, direct to consumer advertising often just presents consumers the benefits of a drug without revealing the risks. Such unbalanced advertising is both dangerous and costly; dangerous because it can lead to patients taking drugs that they should not be taking, and costly because it raises the prices of prescription drugs for everyone. My legislation seeks to correct this problem.”

The Fair Balance Prescription Drug Advertisement Act would ensure that DTC advertisements are presented in a fair manner, with an equal presentation of the benefits and risks of the advertised drug. The bill requires that print advertisements display the pros and cons of a particular drug in equal typeface and space, and on the same or facing pages. In television and radio advertisements, risk and benefit descriptions would be allotted equal airtime and volume level. Under the bill, pharmaceutical companies who do not follow these guidelines would not be eligible for an advertising tax deduction.

Since the FDA relaxed restrictions on television advertising in 1997, DTC advertising has soared. Drug companies’ advertising expenditure doubled between 1998 and 2000. This increase in advertising expenditures correlates with the increased prices of prescription drugs. In addition, doctors often find that patients are difficult to dissuade when they have heard the glowing promises of a new drug.

Although prescription drug advertisements are purportedly intended to educate consumers, a University of California study determined that drug companies frequently fall short of this goal. In a survey of 320 print ads, only 9% included information on the drug’s success rate, and only that same percentage attempted to clarify misconceptions about the condition the drug is prescribed to treat.

“This bill would decrease the economic incentives for DTC advertising by taking away the tax deduction for ads that are not fairly balanced,” Rep. Stark declared. “Why should taxpayer funds go to drug companies’ questionable advertising techniques that endanger lives and ultimately raise overall health expenditures? “

Rep. Stark concluded: “By denying tax deductions for unbalanced prescription drug ads, we may be able to change pharmaceutical company behavior to ensure that their advertising includes clear, life saving information that will better inform the American public, reduce health care costs, and save lives. I urge my colleagues to join me in support of this legislation, and I look forward to working with them to make fair, balanced drug advertising a reality.”